

**Category: Customer Service Recognition Award**

**Organization: National Fund for Veteran (NFV)**

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**Name of the Project: Benefit delivery mechanism through the banking system**

## **1. Background**

According to Royal Degree NS.RKT issued on 15 August 2010 stated about social security system for veterans and Sub-degree 79 ANKr. BK issued on 23 August 2010 stated about the establishment of National Fund for Veterans with the acronym of NFV, National Fund for Veteran is an agent which acts as an institution in the name of Ministry of Interior and Ministry of Defense to implement the Social Security Scheme for veterans. It covers social security benefits provided to war veterans and their families, government civil servants, contractual staff and militants who fought for the interest of the nation and the National Police Force. It is overseen by two ministries. It is under the technical supervision of Ministry of Social Affairs, Veterans and Youth Rehabilitation and financial supervision of the Ministry of Finance.

The benefits provided under the scheme consist of 9 benefits including: Retirement benefit, Invalidity benefit, Disability benefit, Maternity benefit, First Marriage benefit, Death benefit, Illness benefit, Sacrifice benefit and their dependents (survivors).

## **2. Objective and Nature of Project**

Long before the implementation of this project, the benefit delivery mechanism was handled by the Provincial/Municipal department of Social Affairs, Veteran and Youth Rehabilitation. As the delivery was made directly face-to-face to the beneficiaries, the nature of that service was problematic for various reasons. For starter, it was slow; the process of the paper work took quite some time; therefore, that led to tardiness of the reimbursement which provoked the anger amongst many beneficiaries. Secondly, the overall system was too prone to corruption. As it was delivered from the local officers to the beneficiaries, the process was quite easy for the officers to ask for money under the table; otherwise, they would prolong the process or cause even more trouble. Thirdly, it was easy for pensioners to sell their name (benefits) as well. For example, some pensioners would prefer the Lump-sum payment rather than the annuity provided by the institution; thus, they would sell their name to other people, which is something we, as a social security institution, would not wish to happen. These cases were so common since the administration was not so good with a lot of paper work and beneficiaries was not strictly required to present during the benefit delivery.

After the problem was clearly identified, it was distinctly understandable that the old delivery mechanism was not functional enough to serve the veterans of Cambodia; consequently, the objective of this project was to establish/reform an advanced pension delivery mechanism which facilitates the process to perform better service for pensioners.

The new system is to deliver the benefits to beneficiaries via banking system. Pensioners and their dependents are registered into a newly-developed Information System as their benefits level will be calculated in the system before the payroll each month is sent to the bank.

Eventually, the beneficiaries are able to smoothly receive the benefits at any branches of the banks they wish to obtain.

### **3. The innovative approach**

The methodologies set for the implementation of the project were:

- Studied the feasible mechanism for the advanced delivery system
- Developed an IT system to register and manage the pensioners
- Created MOU with commercial bank to deliver the benefits
- Pilot test was conducted at the start of 2012 as only 2 provinces were implemented with the banking delivery service
- Positive review led to nationwide implementation until the end of 2014.
- Further monitoring and evaluation the service operated

### **4. Why the project should be recognized**

The project is evaluated to be remarkably successful for which it is able to unlock many barriers concerning the beneficiaries and facilitate them to better obtain their benefit. Statistically, almost 99% of the pensioners are registered in the system and are paid through banking system nowadays. Beneficiaries are guaranteed to receive the benefits at the latest by 28<sup>th</sup> of the end of each month. Not to mention, it is more convenience to get the benefit at the bank as well since there are so many branches of these banks across the country. In addition to that, pensioners now are able to travel freely within the country, for they can use any branches of the bank to get the benefit; unlike before where they can only get the benefits from the commune from where they get their name registered.

One of the most important advantages of this project is its nature of corruption free. For instance, it is almost improbable for any bribery or under the table money to be committed during the process of obtaining the benefits as the transaction is handled transparently via the commercial bank. Furthermore, it is impossible for pensioners to sell their name either as the beneficiaries are required to present at the time of receiving the benefits with the tellers at the bank.

All in all, even though no proper satisfaction review has been conducted, it is vividly clear to see that overall satisfaction of the beneficiaries has increased tremendously. Not only does the new delivery mechanism deliver fast, reliable, effective and transparent processes which enhance a significant overall satisfaction of the beneficiaries, but it also serves to strengthen management of the pensioners in Cambodia and many possibilities for the future development in the institution as well.